



[COLONIALISM WITH BENEFITS]

by Luke Corbin

The British colonisation of what would become Burma, although widely generalised as having a deleterious affect upon the Burmese population, was not considered an imposition by all of the new colony's residents. In fact, some groups possessing social and economic traditions more compatible with Western colonial administration benefited from the region's annexation into British India. Specifically, the immigrant Nattukottai Chettiar (Tamil) and resident Chinese communities both profited from British rule as they integrated into and assumed structural roles within the changing political economy.

Britain's conquest of Burma advanced incrementally from 1826 – 1885, with absolute colonial rule lasting until 1948. Although this total rule constitutes the shortest of colonial experiences in Southeast Asia, Myanmar was indelibly affected by the encounter, and a strong nationalist reaction to that era endures today. This reaction could be broadly attributed to the Burmese people's loss of agency during a time of immense global transformation and the colonial regime's implementation of self-serving policies across political, economic, religious, and social spheres.

Such policies are exemplified by the introduction of colonial higher education into Burma. The emergent system was foremost built to serve the British Empire and the economy it was seeking to craft in Burma, resulting in enrolments that failed to penetrate evenly through local society. Non-indigenous groups migrated in response to the new educational opportunities, delaying the day that the Indigenous Burmese could predominate in the higher education institutions of their own country until the opening of Rangoon University in 1920. The lack of Burmese in the early colonial education system affirms the generalisation that the British didn't trust the Burmans and that they preferred to employ the non-Burmese, predominantly Indians, in the country's administration.

Indeed, Indian migration formed an important aspect of British colonial rule in Burma with groups such as the Chettiars migrating for the economic opportunities being enabled by Burma's growing integration into the international economy. Hailing from Tamil Nadu in the deep south of the subcontinent, the Chettiars are a mercantile caste, with a rich and deep recorded history of commerce and finance. The origin of the word Chettiar itself suggests selling merchandise and advertising loudly and the caste had dealt with Europeans for centuries before coming to Burma.

It has been asserted that the Chettiars began forming migrant settlements in lower Burma in the 1830s, but others put the first wave of immigrant Chettiars in Burma at 1826. This group supposedly arrived in Tennassarim directly after its occupation by the British, and immediately set about informal money-lending in Burmese towns. This was followed by another wave in 1852, resulting in the establishment of the first Chettiar money-lending firm in Rangoon or Moulmein at around the same time. Many more firms followed in quick succession, reaching a peak of 1,650 individual establishments by 1930. The final major migration of Chettiars occurred in the 1870s. By this time the Suez Canal had opened, forcing the monetisation of the peasant economy, and allowing the Chettiars of Burma to reap the financial benefits.

The opening of the canal led to an acceleration in the growth of Burma's rice industry, and therefore an increase in the value of land, goods and services, forcing cultivators to purchase at rising prices, goods which had once been produced within their own households. Rising costs meant greater demand for credit that was unable to be met by indigenous sources, putting the capital provided by the Chettiars in great demand. They quickly grew from their initial marginal role in the money-lending business to eventual dominance, and became prominent landlords as a result.

The Chettiars' business model was further advantaged by the creation of private land in Burma. The colonial rulers instigated land reforms which exchanged the *dama-u-gya* which had prevailed in the Konbaung period with a tenure system modelled on the *ryotwari* (popular in South India), turning land into a holding that could be mortgaged by farmers as security for loans from lenders for the first time in Burma's history. Previously, the land was allodial but not quite private since the holder lacked rights to dispose of the land with complete independence.

Although these events gave the Chettiars the opportunity to benefit from British colonialism, it does not fully explain their success at doing so – for example, Indigenous money-lenders could also have benefitted from the opening of the Suez Canal and the land tenure reforms. Two further factors could explain how the Chettiars capitalised on these opportunities. Firstly, they had connections with Western banks and companies, such as the Imperial Bank of India and the Indian Overseas Bank, which provided them with sources

of working capital which were not readily available to Burmese. Secondly, the nature of the Chettiar caste's organisation, especially its culturally sanctioned emphasis on trust, allowed poorer Chettiars without the adequate financial means to establish their own firms as agencies for their more financially secure kinsmen. These two factors were part of and interwoven with other ancient mercantile traditions and inherent socio-cultural values that promoted international entrepreneurship among the Chettiar.

This created a huge gulf between the world-views of the Chettiar and Burmese merchants of the nineteenth century. When the Chettiars came to Burma, the average Burmese merchant was still adjusting to British rule and its associated rampant international capitalism - developments that take some getting used to. In contrast, for the Chettiars this was business as usual, and they had little enduring, non-economic stakes in the newly annexed territories. In a sense, the Chettiars were positioned to take what they perceived as the best of British colonialism in Burma – the economic opportunities – while being little affected by the worst.

This is because unlike the Burmese, the Chettiars could always go home, as most of them eventually did. Their capital was fluid. Profits could be easily shifted off-shore, either home to Tamil Nadu (itself under British colonial rule) or to other Chettiar firms spread throughout Southeast Asia. The profits achieved by Chettiars through decades of money-lending and trade in British Burma raised their status in their home country, solid evidence that the Chettiars benefited from colonialism in Burma.

But they were not the only non-Burmese, non-British group to do so, as the presence of the Chinese immigrant community in Burma demonstrates. Unlike the newcomer Chettiars, Chinese settlers in Burma go back until at least the fifteenth century when Chinese miners began exploiting the mineral resources of northern Myanmar. Ethnic Chinese were in the Rangoon area before British annexation and according to colonial statistics there were 194,000 Chinese in Burma by 1931, representing 1.4% of the population. The majority of the Chinese were at this time engaged in trade or commerce, with major settlements in Rangoon and at the Bawdwin Mines. A final, huge migration occurred during the three decades preceding World War II and as a consequence half of Rangoon's population was either ethnic Chinese or ethnic Indian by 1940.

As mentioned above, most Chinese in Burma were involved in trade, especially in the booming rice business. Chinese representatives were present in nearly every phase of commerce in colonial, rice-exporting Rangoon, and a quarter of all rice mills were estimated to be Chinese-owned. The Chinese cooperated with the British because their interests seemed to be served by the colonial project. The majority of Chinese immigrants came from Guangdong and Fujian provinces, the two closest Chinese maritime provinces to Southeast Asia, and the Straits Settlements, which had a long history of European colonial rule. In this way we see that the Chinese who came to live in Burma were already familiar with international trade networks incorporating other countries and colonies like the Chettiers were.

Because of these network links Chinese traders were able to benefit from Britain's annexation of Burma at its very commencement. When Britain first invaded Rangoon in May 1824 they badly miscalculated their supply chains and found themselves stranded in an empty city for six months with no food or transport. They were saved by Chinese traders from Penang, who sold the conquering army bread, tea, sugar, pigs, poultry, and vegetables. Apparently, the butchers in particular did well as there was a great demand for pork and sausages amongst the sailors. This was an auspicious (enabling!) beginning for Chinese merchant cooperation with the colonial project in Burma.

Chinese traders would continue to play a role in providing provisions to the British throughout the later Anglo-Burmese wars. This put them in a position of high esteem with the administration by the time of full annexation, impressing the British to the point that they actively encouraged further Chinese migration to the territories. As the Chinese population in Burma and Rangoon grew wealthier its members began to diversify their business interests outside of trade and into experimental agriculture. For example, a Chinese dealer planted one of the first rubber plantations in Burma in 1904.

Contributing to the Chinese population's capacity to profit from colonial Burma was their ability to manipulate the British interpretations of personal and property laws to serve their own interests. This was due to the colonial regime's reliance on customary law and their confusion at categorising the "Confucian religion" that the Chinese supposedly practised. The Chinese could therefore act as chameleons in the British system, slipping

between identities with more freedom than the average Burmese, who was bound in personal and property issues by what the British considered to be Buddhist law.

These points clearly demonstrate that the Chinese of Burma benefited from British colonialism. They have continued to turn profits in times since, long after the end of colonial rule, even when surrounded by a Burmese private sector deprived of capital and floundering. Excitingly, the depressed Burmese economy is currently on the brink of upheaval, with reforms supposedly soon to be implemented by the government in power. In the face of these and other changes the economic future of Burma is uncertain, but one can reasonably predict that the success of its networked and adaptable Chinese community will endure.

As has been introduced in the descriptions of the two groups above, both the Chinese and the Chettiars assumed structural roles in colonial Burma, advancing their own financial interests during a time in which the Burmese lost control of their own economy. Both groups provided skills and capital in sectors where the Europeans were reluctant or did not have the manpower to do so. Essentially, the activities of both communities complemented the efforts of colonialists to develop the exchange sectors of colonial economies and to stimulate economic growth. In the case of the Chettiars, this sector was money-lending.

Turnell & Vicary note that the Chettiar legacy is divisive, as they are celebrated for providing the capital that turned Burma into the rice bowl of the British empire but are simultaneously vilified for functioning as a bridge between the formerly subsistence agricultural economy of Burma and predatory European financial institutions. Through their preference for land collateral, the collapse of paddy prices in the Great Depression, and the imposition of British land title laws, a substantial portion of Burma's cultivatable land fell into Chettiar hands, catapulting the group into the powerful role of landowners, which would eventually lead to their expulsion from Burma and the loss of much of their profits. Either way - whether reviled or lionised - it is undeniable that the Chettiars played a key role in the changing political economy and modern history of Burma.

The same can and should be said of the Chinese. Due to their comparatively heterogeneous character and involvement in a wider array of mercantile activities than the Chettiar in Burma, they played less of a fundamental and more of a discrete role in the country's economy. As maritime and shopfront traders, miners, entrepreneurs and landholders, the Chinese community facilitated the development of an international, export-oriented colonial economy. They were enabled by their trade and cultural networks, and became enmeshed in the structure of the political economy of Burma, keeping capital moving and business flowing. Whether their activities during British rule benefited the Burmese people or not is arguable, but their presence in the country well before the beginning, during, and after the end of colonial rule, demonstrates at least their commitment to the Burmese market.

Finally, it should not be forgotten that the Chinese and Chettiar communities contributed not only within but also from outside of the political economy. For example, there was active translation by community members of Chinese novels into Burmese in the form of a serial named *The Hokkien Libraries*, facilitating cultural interaction between the two neighbouring countries. Positive cultural legacies such as these should not be forgotten. The Chettiars and the Chinese, while compliant with colonialism in Burma, and arguably exploitative of it, do not deserve to be remembered solely in these terms. A further article could easily be written on this.

Detailed studies of non-European immigrant minorities in colonial and post-colonial economies and societies are important. By explicating the origins and roles of the Chettiar and Chinese immigrant communities in British Burma in this article I have identified their structural roles as money-lenders, landholders and merchants. These two Asian groups benefited from colonialism in Burma in financial terms, without the pretext of a civilizing mission. They came, they did well for themselves, and in doing so they helped to shape the course of independent Burma, for better or worse.